

106TH CONGRESS
1ST SESSION

H. R. 1224

To amend the Internal Revenue Code of 1986 and title XVIII of the Social Security Act to provide for comprehensive financing for graduate medical education.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 1999

Mr. CARDIN (for himself, Mr. STARK, Mr. KLECZKA, Mr. LEWIS of Georgia, Mr. LEVIN, and Mr. BENTSEN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 and title XVIII of the Social Security Act to provide for comprehensive financing for graduate medical education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “All-Payer Graduate Medical Education Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—HEALTH CARE WORKFORCE TRUST FUND; PAYMENTS
TO TEACHING HOSPITALS**

Subtitle A—Establishment and Financing of Fund

Sec. 101. Establishment.

Sec. 102. Financing for fund; fees on insured and self-insured health plans.

Subtitle B—Additional Payments to Teaching Hospitals

Sec. 111. Formula payments regarding private-sector share of costs of graduate medical education.

Sec. 112. Application for payments.

Sec. 113. Annual amount of payments.

Sec. 114. Definitions.

Sec. 115. Study.

**Subtitle C—Conforming Changes in Medicare Payment for Direct Costs of
Graduate Medical Education**

Sec. 121. Changes in medicare formula for payment of direct GME costs.

Sec. 122. Exception from limitation on number of residents for rural and underserved urban areas.

Sec. 123. Study on appropriate levels of documentation for professional services of teaching physicians.

TITLE II—HEALTH WORKFORCE PRIORITIES

Sec. 201. Plan to reduce residency training positions.

**TITLE III—MODIFICATION IN MEDICARE PAYMENT FOR IME AND
DSH**

Sec. 301. Modification regarding payments for indirect costs of graduate medical education.

Sec. 302. Modification of DSH.

**TITLE IV—ADDITIONAL PAYMENTS FOR GRADUATE EDUCATION
FOR NON-PHYSICIAN HEALTH PROFESSIONALS**

Sec. 401. Payments for graduate education for non-physician health professionals.

1 **TITLE I—HEALTH CARE WORK-**
 2 **FORCE TRUST FUND; PAY-**
 3 **MENTS TO TEACHING HOS-**
 4 **PITALS**

5 **Subtitle A—Establishment and**
 6 **Financing of Fund**

7 **SEC. 101. ESTABLISHMENT.**

8 (a) IN GENERAL.—Subchapter A of chapter 98 of the
 9 Internal Revenue Code of 1986 (relating to trust fund
 10 code) is amended by adding at the end the following new
 11 section:

12 **“SEC. 9511. HEALTH CARE WORKFORCE TRUST FUND.**

13 “(a) CREATION OF TRUST FUND.—There is estab-
 14 lished in the Treasury of the United States a trust fund
 15 to be known as the ‘Health Care Workforce Trust Fund’,
 16 consisting of such amounts as may be appropriated or
 17 credited to such Trust Fund as provided in this section
 18 and section 9602(b).

19 “(b) TRANSFERS TO FUND.—

20 “(1) IN GENERAL.—There are hereby appro-
 21 priated to the Health Care Workforce Trust Fund—

22 “(A) amounts equivalent to the net reve-
 23 nues received in the Treasury from the fees im-
 24 posed under subchapter B of chapter 34 (relat-

ing to fees on health insurance and health-related administrative services);

“(B) subject to paragraph (2), from the Federal Hospital Insurance Trust Fund (established under section 1817 of the Social Security Act) amounts determined by the Secretary of Health and Human Services to be equivalent to the reductions in payments made from such Trust Fund by virtue of the amendments made by the All-Payer Graduate Medical Education Act; and

“(C) subject to paragraph (2), from the Federal Supplementary Medical Insurance Trust Fund (established under section 1841 of the Social Security Act) amounts determined by the Secretary of Health and Human Services to be equivalent to the reductions in payments made from such Trust Fund by virtue of the amendments made by the All-Payer Graduate Medical Education Act.

(2) LIMITATION ON TRANSFERS FROM MEDICARE TRUST FUNDS.—If the sum of the amounts otherwise transferred (but for this paragraph) under subparagraph (B) and (C) of paragraph (1) for a fiscal year would exceed \$300,000,000, the amounts

1 so transferred under each respective subparagraph
 2 shall be reduced in a pro-rated manner so that the
 3 total so transferred is equal to \$300,000,000.

4 “(c) EXPENDITURES FROM FUND.—Amounts in the
 5 Health Care Workforce Trust Fund are available to the
 6 Secretary of Health and Human Services for making pay-
 7 ments under sections 111 and 401 of the All-Payer Grad-
 8 uate Medical Education Act.

9 “(d) NET REVENUES.—For purposes of this section,
 10 the term ‘net revenues’ means the amount estimated by
 11 the Secretary based on the excess of—

12 “(1) the fees received in the Treasury under
 13 subchapter B of chapter 34, over

14 “(2) the decrease in the tax imposed by chapter
 15 1 resulting from the fees imposed by such sub-
 16 chapter.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
 18 for such subchapter A is amended by adding at the end
 19 thereof the following new item:

“Sec. 9511. Health Care Workforce Trust Fund.”.

20 **SEC. 102. FINANCING FOR FUND; FEES ON INSURED AND**
 21 **SELF-INSURED HEALTH PLANS.**

22 (a) GENERAL RULE.—Chapter 34 of the Internal
 23 Revenue Code of 1986 is amended by adding at the end
 24 the following new subchapter:

1 **“Subchapter B—Insured and Self-Insured**
 2 **Health Plans**

“Sec. 4375. Health insurance and health-related administrative services.

“Sec. 4376. Self-insured health plans.

“Sec. 4377. Definitions and special rules.

3 **“SEC. 4375. HEALTH INSURANCE AND HEALTH-RELATED**
 4 **ADMINISTRATIVE SERVICES.**

5 “(a) IMPOSITION OF FEE.—There is hereby
 6 imposed—

7 “(1) on each specified health insurance policy,
 8 a fee equal to 1 percent of the premiums received
 9 under such policy, and

10 “(2) on each amount received for health-related
 11 administrative services, a fee equal to 1 percent of
 12 the amount so received.

13 “(b) LIABILITY FOR FEE.—

14 “(1) HEALTH INSURANCE.—The fee imposed by
 15 subsection (a)(1) shall be paid by the issuer of the
 16 policy.

17 “(2) HEALTH-RELATED ADMINISTRATIVE SERV-
 18 ICES.—The fee imposed by subsection (a)(2) shall be
 19 paid by the person providing the health-related ad-
 20 ministrative services.

21 “(c) SPECIFIED HEALTH INSURANCE POLICY.—For
 22 purposes of this section—

1 “(1) IN GENERAL.—Except as otherwise pro-
2 vided in this section, the term ‘specified health in-
3 surance policy’ means any accident or health insur-
4 ance policy issued with respect to individuals resid-
5 ing in the United States.

6 “(2) EXEMPTION OF CERTAIN POLICIES.—The
7 term ‘specified health insurance policy’ does not in-
8 clude any insurance policy if substantially all of the
9 coverage provided under such policy relates to—

10 “(A) liabilities incurred under workers’
11 compensation laws,

12 “(B) tort liabilities,

13 “(C) liabilities relating to ownership or use
14 of property,

15 “(D) credit insurance, or

16 “(E) such other similar liabilities as the
17 Secretary may specify by regulations.

18 “(3) SPECIAL RULE WHERE POLICY PROVIDES
19 OTHER COVERAGE.—In the case of any specified
20 health insurance policy under which amounts are
21 payable other than for accident and health coverage,
22 in determining the amount of the fee imposed by
23 subsection (a)(1) on any premium received under
24 such policy, there shall be excluded the amount of

1 the charge for the non-accident and health coverage
2 if—

3 “(A) the charge for such non-accident and
4 health coverage is either separately stated in
5 the policy, or furnished to the policyholder in a
6 separate statement, and

7 “(B) such charge is reasonable in relation
8 to the total charges under the policy.

9 In any other case, the entire amount of the premium
10 received under such a policy shall be subject to the
11 fees under subsection (a)(1).

12 “(4) TREATMENT OF PREPAID HEALTH COV-
13 ERAGE ARRANGEMENTS.—

14 “(A) IN GENERAL.—In the case of any ar-
15 rangement described in subparagraph (B)—

16 “(i) such arrangement shall be treated
17 as a specified health insurance policy,

18 “(ii) the payments or premiums re-
19 ferred to in subparagraph (B)(i) shall be
20 treated as premiums received for a speci-
21 fied health insurance policy, and

22 “(iii) the person referred to in sub-
23 paragraph (B)(i) shall be treated as the
24 issuer.

1 “(B) DESCRIPTION OF ARRANGEMENTS.—

2 An arrangement is described in this subpara-
3 graph if under such arrangement—

4 “(i) fixed payments or premiums are
5 received as consideration for any person’s
6 agreement to provide or arrange for the
7 provision of accident or health coverage to
8 residents of the United States, regardless
9 of how such coverage is provided or ar-
10 ranged to be provided, and

11 “(ii) substantially all of the risks of
12 the rates of utilization of services is as-
13 sumed by such person or the provider of
14 such services.

15 “(d) HEALTH-RELATED ADMINISTRATIVE SERV-
16 ICES.—For purposes of this section, the term ‘health-re-
17 lated administrative services’ means—

18 “(1) the processing of claims or performance of
19 other administrative services in connection with acci-
20 dent or health coverage under a specified health in-
21 surance policy if the charge for such services is not
22 included in the premiums under such policy, and

23 “(2) processing claims, arranging for provision
24 of accident or health coverage, or performing other
25 administrative services in connection with an appli-

1 cable self-insured health plan (as defined in section
2 4376(c)) established or maintained by another per-
3 son.

4 **“SEC. 4376. SELF-INSURED HEALTH PLANS.**

5 “(a) IMPOSITION OF FEE.—In the case of any appli-
6 cable self-insured health plan, there is hereby imposed a
7 fee for each month equal to 1 percent of the sum of—

8 “(1) the accident and health coverage expendi-
9 tures for such month under such plan, and

10 “(2) the direct administrative expenditures for
11 such month under such plan.

12 “(b) LIABILITY FOR FEE.—

13 “(1) IN GENERAL.—The fee imposed by sub-
14 section (a) shall be paid by the plan sponsor.

15 “(2) PLAN SPONSOR.—For purposes of para-
16 graph (1) the term ‘plan sponsor’ means—

17 “(A) the employer in the case of a plan es-
18 tablished or maintained by a single employer,

19 “(B) the employee organization in the case
20 of a plan established or maintained by an em-
21 ployee organization,

22 “(C) in the case of—

23 “(i) a plan established or maintained
24 by 2 or more employers or jointly by 1 or

1 more employers and 1 or more employee
2 organizations,

3 “(ii) a multiple employer welfare ar-
4 rangement, or

5 “(iii) a voluntary employees’ bene-
6 ficiary association described in section
7 501(c)(9),

8 the association, committee, joint board of trust-
9 ees, or other similar group of representatives of
10 the parties who establish or maintain the plan,
11 or

12 “(D) the cooperative or association de-
13 scribed in subsection (c)(2)(F) in the case of a
14 plan established or maintained by such a coop-
15 erative or association.

16 “(c) APPLICABLE SELF-INSURED HEALTH PLAN.—
17 For purposes of this section, the term ‘applicable self-in-
18 sured health plan’ means any plan for providing accident
19 or health coverage if—

20 “(1) any portion of such coverage is provided
21 other than through an insurance policy, and

22 “(2) such plan is established or maintained—

23 “(A) by one or more employers for the
24 benefit of their employees or former employees,

1 “(B) by one or more employee organiza-
 2 tions for the benefit of their members or former
 3 members,

4 “(C) jointly by 1 or more employers and 1
 5 or more employee organizations for the benefit
 6 of employees or former employees,

7 “(D) by a voluntary employees’ beneficiary
 8 association described in section 501(c)(9),

9 “(E) by any organization described in sec-
 10 tion 501(c)(6), or

11 “(F) in the case of a plan not described in
 12 the preceding subparagraphs, by a multiple em-
 13 ployer welfare arrangement (as defined in sec-
 14 tion 3(40) of Employee Retirement Income Se-
 15 curity Act of 1974), a rural electric cooperative
 16 (as defined in section 3(40)(B)(iv) of such Act),
 17 or a rural telephone cooperative association (as
 18 defined in section 3(40)(B)(v) of such Act).

19 “(d) ACCIDENT AND HEALTH COVERAGE EXPENDI-
 20 TURES.—For purposes of this section—

21 “(1) IN GENERAL.—The accident and health
 22 coverage expenditures of any applicable self-insured
 23 health plan for any month is the aggregate expendi-
 24 tures for such month for accident and health cov-
 25 erage provided under such plan to the extent such

1 expenditures are not subject to the fees under sec-
2 tion 4375.

3 “(2) TREATMENT OF REIMBURSEMENTS.—In
4 determining accident and health coverage expendi-
5 tures during any month of any applicable self-in-
6 sured health plan, reimbursements (by insurance or
7 otherwise) received during such month for accident
8 and health coverage expenditures shall be taken into
9 account as a reduction in accident and health cov-
10 erage expenditures.

11 “(3) CERTAIN EXPENDITURES DISREGARDED.—
12 Paragraph (1) shall not apply to any expenditure for
13 the acquisition or improvement of land or for the ac-
14 quisition or improvement of any property to be used
15 in connection with the provision of accident and
16 health coverage which is subject to the allowance
17 under section 167, except that, for purposes of para-
18 graph (1), allowances under section 167 shall be
19 considered as expenditures.

20 “(e) DIRECT ADMINISTRATIVE EXPENDITURES.—
21 For purposes of this section, the term ‘direct administra-
22 tive expenditures’ means the administrative expenditures
23 under the plan to the extent such expenditures are not
24 subject to the fees under section 4375. In determining the

1 amount of such expenditures, rules similar to the rules of
2 subsection (d)(3) shall apply.

3 **“SEC. 4377. DEFINITIONS AND SPECIAL RULES.**

4 “(a) DEFINITIONS.—For purposes of this
5 subchapter—

6 “(1) ACCIDENT AND HEALTH COVERAGE.—The
7 term ‘accident and health coverage’ means any cov-
8 erage which, if provided by an insurance policy,
9 would cause such policy to be a specified health in-
10 surance policy (as defined in section 4375(c)).

11 “(2) INSURANCE POLICY.—The term ‘insurance
12 policy’ means any policy or other instrument where-
13 by a contract of insurance is issued, renewed, or ex-
14 tended.

15 “(3) PREMIUM.—The term ‘premium’ means
16 the gross amount of premiums and other consider-
17 ation (including advance premiums, deposits, fees,
18 and assessments) arising from policies issued by a
19 person acting as the primary insurer, adjusted for
20 any return or additional premiums paid as a result
21 of endorsements, cancellations, audits, or retrospec-
22 tive rating.

23 “(4) UNITED STATES.—The term ‘United
24 States’ includes any possession of the United States.

25 “(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

1 “(1) IN GENERAL.—For purposes of this
2 subchapter—

3 “(A) the term ‘person’ includes any gov-
4 ernmental entity, and

5 “(B) notwithstanding any other law or rule
6 of law, governmental entities shall not be ex-
7 empt from the fees imposed by this subchapter
8 except as provided in paragraph (2).

9 “(2) TREATMENT OF EXEMPT GOVERNMENTAL
10 PROGRAMS.—In the case of an exempt governmental
11 program—

12 “(A) no fee shall be imposed under section
13 4375 on any premium received pursuant to
14 such program or on any amount received for
15 health-related administrative services pursuant
16 to such program, and

17 “(B) no fee shall be imposed under section
18 4376 on any expenditures pursuant to such
19 program.

20 “(3) EXEMPT GOVERNMENTAL PROGRAM DE-
21 FINED.—For purposes of this subchapter, the term
22 ‘exempt governmental program’ means—

23 “(A) the insurance programs established
24 by parts A, B, and C of title XVIII of the So-
25 cial Security Act,

1 “(B) the medical assistance program es-
2 tablished by title XIX or XXI of the Social Se-
3 curity Act,

4 “(C) any program established by Federal
5 law for providing medical care (other than
6 through insurance policies) to individuals (or
7 the spouses and dependents thereof) by reason
8 of such individuals being—

9 “(i) members of the Armed Forces of
10 the United States, or

11 “(ii) veterans, and

12 “(D) any program established by Federal
13 law for providing medical care (other than
14 through insurance policies) to members of In-
15 dian tribes (as defined in section 4(d) of the In-
16 dian Health Care Improvement Act).

17 “(c) TREATMENT AS TAX.—For purposes of subtitle
18 F, the fees imposed by this subchapter shall be treated
19 as if they were taxes.

20 “(d) NO COVER OVER TO POSSESSIONS.—Notwith-
21 standing any other provision of law, no amount collected
22 under this subchapter shall be covered over to any posses-
23 sion of the United States.”

1 (b) CLERICAL AMENDMENT.—Chapter 34 of such
 2 Code is amended by striking the chapter heading and in-
 3 serting the following:

4 **“CHAPTER 34—TAXES ON CERTAIN**
 5 **INSURANCE POLICIES**

“Subchapter A. Policies issued by foreign insurers.

“Subchapter B. Insured and self-insured health plans.

6 **“Subchapter A—Policies Issued By Foreign**
 7 **Insurers”.**

8 (c) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply with respect to premiums received
 10 and expenses incurred after December 31, 1999.

11 **Subtitle B—Additional Payments to**
 12 **Teaching Hospitals**

13 **SEC. 111. FORMULA PAYMENTS REGARDING PRIVATE-SEC-**
 14 **TOR SHARE OF COSTS OF GRADUATE MED-**
 15 **ICAL EDUCATION.**

16 (a) IN GENERAL.—In the case of each teaching hos-
 17 pital that in accordance with section 112 submits to the
 18 Secretary an application for calendar year 2002 or any
 19 subsequent calendar year (referred to in this title as an
 20 “eligible hospital” for the year involved), the Secretary
 21 shall in accordance with section 113 make payments for
 22 such year to the hospital.

1 (b) DEFINITIONS.—For purposes of this subtitle, the
 2 term “teaching hospital” means any hospital that operates
 3 an approved medical residency training program (as de-
 4 fined in section 1886(h)(5)(A) of the Social Security Act).

5 **SEC. 112. APPLICATION FOR PAYMENTS.**

6 (a) IN GENERAL.—For purposes of section 111(a),
 7 an application for payments under such section for a cal-
 8 endar year is in accordance with this section if—

9 (1) the application is submitted not later than
 10 the date specified by the Secretary;

11 (2) the application contains the agreements re-
 12 quired in this subtitle; and

13 (3) the application is in such form, is made in
 14 such manner, and contains such agreements, assur-
 15 ances, and information as the Secretary determines
 16 to be necessary to carry out this subtitle, including
 17 the assurance described in subsection (b).

18 (b) ASSURANCE REGARDING USE OF DIRECT GRAD-
 19 UATE MEDICAL EDUCATION FUNDS IN SUPPORT OF
 20 TEACHING PHYSICIANS.—The assurance described in this
 21 subsection is an assurance that at least 20 percent of the
 22 funds provided to the hospital under section 113(a)(1) (re-
 23 lating to direct graduate medical education funding) is ex-
 24 pended to compensate physicians for their time spent in

1 teaching residents in an approved medical residency train-
2 ing program.

3 **SEC. 113. ANNUAL AMOUNT OF PAYMENTS.**

4 (a) IN GENERAL.—From amounts in the Health Care
5 Workforce Trust Fund under section 9511 of the Internal
6 Revenue Code of 1986, the Secretary shall make payments
7 under section 111 to an eligible hospital for a calendar
8 year as follows:

9 (1) Payments, made on a periodic basis, whose
10 sum is equal to the amount determined under sub-
11 section (c) for the hospital for the year (which
12 amount relates to the direct costs for graduate med-
13 ical education attributable to certain individuals).

14 (2) Payments (in addition to payments under
15 paragraph (1)), made on a periodic basis, whose sum
16 is equal to the amount determined under subsection
17 (d) for the hospital for the year (which amount re-
18 lates to the per-discharge indirect costs of the hos-
19 pital for graduate medical education attributable to
20 certain individuals).

21 (b) EFFECTIVE DATES FOR PAYMENTS.—Payments
22 under paragraph (1) of subsection (a) are effective for por-
23 tions of cost reporting periods occurring on or after Janu-
24 ary 1, 2001. Payments under paragraph (2) of such sub-

1 section are effective for patient discharges occurring on
 2 or after such date.

3 (c) AMOUNT OF PAYMENTS; DIRECT COSTS.—

4 (1) IN GENERAL.—For purposes of paragraph
 5 (1) of subsection (a), the amount determined under
 6 this subsection for an eligible hospital for a calendar
 7 year is the product of—

8 (A) the aggregate nonmedicare training
 9 amount for the hospital, as defined in para-
 10 graph (2); and

11 (B) the direct-cost Fund payout percent-
 12 age, as defined in paragraph (4).

13 (2) AGGREGATE NONMEDICARE TRAINING
 14 AMOUNT.—For purposes of this subtitle, the term
 15 “aggregate nonmedicare training amount”, with re-
 16 spect to the eligible hospital involved, means (subject
 17 to paragraph (3)(D)) an amount equal to the prod-
 18 uct of subparagraphs (A) and (B), as follows:

19 (A) The number of full-time-equivalent
 20 training participants in the approved physician
 21 training programs of the hospital for the aca-
 22 demic year in which the calendar year begins,
 23 not to exceed the maximum total number per-
 24 mitted under section 1886(h)(4)(F) of the So-
 25 cial Security Act.

1 (B) An amount equal to the product of—

2 (i) the national average FTE wage-re-
3 lated compensation, as defined in para-
4 graph (3); and

5 (ii) a percentage equal to the fraction
6 of the total inpatient hospital and out-
7 patient hospital revenues (as established by
8 the Secretary) during the cost reporting
9 period which are attributable to patients
10 with respect to whom payment may be
11 made under health insurance coverage
12 (whether through a group health plan or
13 otherwise) or under a group health plan.

14 For purposes of clause (ii), payment made
15 under the medicare or medicaid programs
16 (under titles XVIII or XIX of the Social Secu-
17 rity Act) shall not be treated as payment under
18 health insurance coverage.

19 (3) NATIONAL AVERAGE FTE WAGE-RELATED
20 COMPENSATION.—

21 (A) IN GENERAL.—For purposes of this
22 subtitle, the term “national average FTE wage-
23 related compensation” means the national aver-
24 age of the costs of resident salaries and related
25 fringe benefits per training participant for all

1 approved physician training programs and all
2 medical specialties, as adjusted under subpara-
3 graphs (B) and (C). Such national average shall
4 be based upon a national resident wage survey
5 for salaries and related fringe benefits as of
6 July 1, 1998, as determined by the Secretary
7 and shall not include costs of overhead or su-
8 pervision.

9 (B) ANNUAL ADJUSTMENTS PER CON-
10 SUMER PRICE INDEX.—The national average
11 applicable under subparagraph (A) for a cal-
12 endar year for such programs is, subject to sub-
13 paragraph (C), the amount determined under
14 subparagraph (A) increased by the estimated
15 percentage change in the consumer price index
16 from January 1999 through the midpoint of the
17 year involved, with appropriate adjustments to
18 reflect previous under- or over-estimations
19 under this subparagraph in the projected per-
20 centage change in the consumer price index.

21 (C) INDIVIDUAL ADJUSTMENTS PER AREA
22 WAGE INDEX.—The national average deter-
23 mined under subparagraph (A) and adjusted
24 under subparagraph (B) for a calendar year
25 shall, in the case of the approved physician

1 training programs of the eligible hospital in-
2 volved, be adjusted by a factor to reflect re-
3 gional differences in wage and wage-related
4 costs, as determined in accordance with the
5 area wage index applicable (as of the beginning
6 of such year) to hospitals in the labor-market
7 area involved, as determined under section
8 1886(d)(3)(E) of the Social Security Act.

9 (D) ALTERNATIVE RULE FOR CERTAIN
10 HOSPITALS.—

11 (i) ELECTION FOR APPLICABILITY OF
12 RULE.—In the case of an eligible hospital
13 for which the election under section
14 1861(b)(7) of the Social Security Act was
15 in effect on July 1, 1998, and has re-
16 mained in effect continuously from such
17 date, the following applies:

18 (I) The hospital may, with re-
19 spect to the determination under
20 paragraph (2) of the aggregate non-
21 medicare training amount for the hos-
22 pital, elect to have the alternative rule
23 described in clause (ii) applied to the
24 hospital.

1 (II) If the election under such
2 section 1861(b)(7) ceases to be in ef-
3 fect, any election made by the hospital
4 under subclause (I) is terminated.

5 (III) If the hospital has made the
6 election under subclause (I) and sub-
7 sequently requests that the election be
8 terminated, the Secretary shall ap-
9 prove the request. Upon the approval
10 of the request, the hospital may not
11 subsequently elect to have the alter-
12 native rule applied to the hospital.

13 (ii) DESCRIPTION OF ALTERNATIVE
14 RULE.—With respect to a determination
15 under paragraph (2) of the aggregate non-
16 medicare training amount for an eligible
17 hospital that has made the election under
18 clause (i), the alternative rule described in
19 this clause is as follows:

20 (I) In lieu of the applicability of
21 the national FTE training amount
22 (for purposes of paragraph (2)(B)(i)),
23 the Secretary shall apply an amount
24 equal to the approved FTE resident
25 amount in effect for the hospital

1 under section 1886(h)(2) of the Social
2 Security Act.

3 (II) Subject to the modification
4 applied under subclause (I), the Sec-
5 retary shall determine an amount
6 under paragraph (2).

7 (III) The Secretary shall deter-
8 mine an amount equal to the product
9 of the fraction determined under
10 paragraph (2)(B)(ii) and the amount
11 of the physician costs of services rec-
12 ognized under section 1861(v)(1) of
13 the Social Security Act pursuant to
14 the election of the hospital under sec-
15 tion 1861(b)(7) of such Act.

16 (IV) In lieu of the applicability of
17 the aggregate nonmedicare training
18 amount (for purposes of paragraph
19 (1)(A)), the Secretary shall apply an
20 amount equal to the sum of the
21 amount determined under subclause
22 (II) and the amount determined under
23 subclause (III).

24 (4) DIRECT-COST FUND PAYOUT PERCENT-
25 AGE.—For purposes of this subtitle, the term “di-

rect-cost Fund payout percentage”, with respect to the calendar year involved, means a percentage equal to the ratio of—

(A) the amount available in the Health Care Workforce Trust Fund for such year (as estimated by the Secretary); to

(B) an amount equal to the total amount of payments under subsection (a)(1) that would be made to eligible hospitals for such year if each hospital received, pursuant to paragraph (1), 100 percent of the aggregate nonmedicare training amount determined for the hospital.

(d) AMOUNT OF PAYMENTS; INDIRECT COSTS.—

(1) IN GENERAL.—For purposes of paragraph (2) of subsection (a), the amount determined under this subsection for an eligible hospital for a calendar year is the product of—

(A) an amount equal to the sum of the nonmedicare per-discharge supplemental payments, as defined in paragraph (2); and

(B) the indirect-cost Fund payout percentage, as defined in paragraph (3).

(2) NONMEDICARE PER-DISCHARGE SUPPLEMENTAL PAYMENT.—

1 (A) IN GENERAL.—For purposes of this
 2 subtitle, the term “nonmedicare per-discharge
 3 supplemental payment”, with respect to a cal-
 4 endar year, means a payment made to an eligi-
 5 ble hospital for a discharge during the year of
 6 a patient described in subparagraph (B), the
 7 amount of which payment is determined in ac-
 8 cordance with subparagraph (C).

9 (B) RELEVANT PATIENTS.—For purposes
 10 of subparagraph (A), a patient described in this
 11 subparagraph is a patient who is not—

12 (i) entitled to benefits under part A of
 13 title XVIII of the Social Security Act; or

14 (ii) eligible for medical assistance
 15 under title XIX of such Act.

16 (C) AMOUNT OF PER-DISCHARGE PAY-
 17 MENT.—For purposes of subparagraph (A), the
 18 amount of the payment under such subpara-
 19 graph for the discharge of a patient described
 20 in subparagraph (B) is the product of—

21 (i) the amount which would be deter-
 22 mined with respect to the discharge under
 23 section 1886(d)(1)(A)(iii) of the Social Se-
 24 curity Act if the patient were entitled to
 25 benefits under part A of title XVIII of

1 such Act, adjusted by the Secretary to take
 2 into account differences in health status,
 3 utilization of services, and other demo-
 4 graphic characteristics among individuals
 5 entitled to benefits under part A of title
 6 XVIII of such Act and individuals who are
 7 not so entitled; and

8 (ii) the percentage applicable to the
 9 hospital under section 1886(d)(5)(B)(ii) of
 10 such Act.

11 (D) SPECIAL RULE FOR CERTAIN HOS-
 12 PITALS.—In the case of a hospital that is lo-
 13 cated in a State for which a demonstration pro-
 14 gram under section 1814(b)(3) of the Social Se-
 15 curity Act is in effect, the Secretary shall, for
 16 purposes of applying subparagraph (C) to dis-
 17 charges from the hospital, make determinations
 18 under such subparagraph as if paragraphs
 19 (1)(A)(iii) and (5)(B)(ii) of section 1886(d) of
 20 such Act applied to the hospital.

21 (3) INDIRECT-COST FUND PAYOUT PERCENT-
 22 AGE.—For purposes of this subtitle, the term “indi-
 23 rect-cost Fund payout percentage”, with respect the
 24 calendar year involved, means a percentage equal to
 25 the ratio of—

1 (A) the amount available in the Health
 2 Care Workforce Trust Fund for such year re-
 3 maining after payments for the year have been
 4 made under subsection (a)(1) (as such amount
 5 is estimated by the Secretary); to

6 (B) the total amount of payments under
 7 subsection (a)(2) that would be made to eligible
 8 hospitals for such year if each hospital received,
 9 pursuant to paragraph (1), 100 percent of an
 10 amount equal to the sum of the nonmedicare
 11 per-discharge supplemental payments deter-
 12 mined for the hospital.

13 (e) DEFINITIONS.—For purposes of this subtitle, the
 14 term “full-time-equivalent training participant” means a
 15 full-time equivalent resident of the hospital as determined
 16 under section 1886(h)(4) of the Social Security Act for
 17 the cost reporting period involved.

18 **SEC. 114. DEFINITIONS.**

19 For purposes of this subtitle:

20 (1) The term “aggregate nonmedicare training
 21 amount” has the meaning given such term in section
 22 113(c)(2).

23 (2) The term “direct-cost Fund payout percent-
 24 age” has the meaning given such term in section
 25 113(c)(4).

1 (3) The term “full-time-equivalent training par-
2 ticipant” has the meaning given such term in section
3 113(e).

4 (4) The term “indirect-cost Fund payout per-
5 centage” has the meaning given such term in section
6 113(d)(3).

7 (5) The term “national average FTE wage-re-
8 lated compensation” has the meaning given such
9 term in section 113(e)(3).

10 (6) The term “nonmedicare per-discharge sup-
11 plemental payment” has the meaning given such
12 term in section 113(d)(2).

13 (7) The term “Secretary” means the Secretary
14 of Health and Human Services, unless the context of
15 usage indicates otherwise.

16 (8) The term “teaching hospital” has the mean-
17 ing given such term in section 111(b).

18 **SEC. 115. STUDY.**

19 (a) STUDY.—The Secretary of Health and Human
20 Services shall conduct a study of the impact of this sub-
21 title.

22 (b) REPORT.—Not later than 5 years after the date
23 that payments are first made under this subtitle, the Sec-
24 retary shall submit to Congress a report on such study
25 and shall include such recommendations on the continu-

1 ation of payments under this subtitle, and such changes
 2 in such payments, as the Secretary deems appropriate.

3 **Subtitle C—Conforming Changes in**
 4 **Medicare Payment for Direct**
 5 **Costs of Graduate Medical Edu-**
 6 **cation**

7 **SEC. 121. CHANGES IN MEDICARE FORMULA FOR PAYMENT**
 8 **OF DIRECT GME COSTS.**

9 (a) USE OF NATIONAL AVERAGE FTE WAGE-RE-
 10 LATED COMPENSATION AS BASIS FOR PAYMENT.—Sec-
 11 tion 1886(h)(3)(B)(i) of the Social Security Act (42
 12 U.S.C. 1395ww(h)(3)(B)(i)) is amended by inserting “(or,
 13 for portions of cost reporting periods occurring on or after
 14 January 1, 2001, in the case of a hospital that does not
 15 have in effect the election described in section
 16 113(c)(3)(D)(i) of the All-Payer Graduate Medical Edu-
 17 cation Act, the applicable national average FTE wage-re-
 18 lated compensation, as determined under section
 19 113(c)(3) of such Act)” after “for that period”.

20 (b) ALLOCATION BASED ON MEDICARE REVE-
 21 NUES.—Section 1886(h)(3) of such Act (42 U.S.C.
 22 1395ww(h)(3)) is amended—

23 (1) in subparagraph (C), by inserting before the
 24 period at the end the following: “, or, for portions
 25 of a cost reporting period occurring on or after Jan-

1 uary 1, 2001, in the case of a hospital that does not
 2 have in effect the election described in section
 3 113(c)(3)(D)(i) of the All-Payer Graduate Medical
 4 Education Act, the fraction of the total inpatient
 5 hospital and outpatient hospital revenues (as estab-
 6 lished by the Secretary) during the reporting period
 7 which is attributable to patients with respect to
 8 whom payment may be made under this title”; and
 9 (2) in subparagraph (D)(i)(II), by inserting be-
 10 fore the period at the end the following: “or, for por-
 11 tions of a cost reporting period occurring on or after
 12 January 1, 2001, in the case of a hospital that does
 13 not have in effect the election described in section
 14 113(c)(3)(D)(i) of the All-Payer Graduate Medical
 15 Education Act, the fraction of the total inpatient
 16 hospital and outpatient hospital revenues (as estab-
 17 lished by the Secretary) during the reporting period
 18 which is attributable to such enrolled individuals”.

19 (c) REQUIREMENT FOR ASSURANCE REGARDING USE
 20 OF DIRECT GRADUATE MEDICAL EDUCATION FUNDS IN
 21 SUPPORT OF TEACHING PHYSICIANS.—Section
 22 1886(h)(1) of the Social Security Act (42 U.S.C.
 23 1395ww(h)(1)) is amended by adding at the end the fol-
 24 lowing: “The Secretary shall not make any payments to
 25 a hospital under this subsection unless the Secretary re-

1 ceives satisfactory assurances that at least 20 percent of
 2 the payments so made are expended to compensate physi-
 3 cians for their time spent in teaching residents.”.

4 (d) EFFECTIVE DATE.—The amendments made by
 5 this section apply to portions of cost reporting periods oc-
 6 ccurring on or after January 1, 2001.

7 **SEC. 122. EXCEPTION FROM LIMITATION ON NUMBER OF**
 8 **RESIDENTS FOR RURAL AND UNDERSERVED**
 9 **URBAN AREAS.**

10 (a) IN GENERAL.—Section 1886 of the Social Secu-
 11 rity Act (42 U.S.C. 1395ww) is amended—

12 (1) in subsection (d)(5)(B), by adding at the
 13 end the following: “The Secretary shall provide for
 14 reasonable exemptions and exceptions from the pre-
 15 vious sentence in the case of a hospital that has resi-
 16 dents who are assigned to serve a rural area or an
 17 urban underserved area.”; and

18 (2) in subsection (h)(4)(F), by adding at the
 19 end the following: “The Secretary shall provide for
 20 reasonable exemptions and exceptions from the pre-
 21 vious sentence in the case of a hospital that has resi-
 22 dents who are assigned to serve a rural area or an
 23 urban underserved area.”.

24 (b) EFFECTIVE DATES.—The amendments made
 25 by—

1 (1) subsection (a)(1) apply to discharges occur-
2 ring on or after January 1, 2000; or

3 (2) subsection (a)(2) apply to cost reporting pe-
4 riods beginning on or after January 1, 2000.

5 **SEC. 123. STUDY ON APPROPRIATE LEVELS OF DOCU-**
6 **MENTATION FOR PROFESSIONAL SERVICES**
7 **OF TEACHING PHYSICIANS.**

8 (a) IN GENERAL.—The Secretary of Health and
9 Human Services shall, in collaboration with the Institute
10 of Medicine and the Association of American Medical Col-
11 leges, conduct a study of the appropriateness of the level
12 of documentation that should be required, as a condition
13 of payment under part B of the medicare program for pro-
14 fessional services of a teaching physician, in a patient’s
15 medical record of the services provided by that physician.

16 (b) REPORT.—Not later than 2 years after the date
17 of the enactment of this Act, the Secretary shall submit
18 a report on the study under subsection (a) to the Commit-
19 tees on Ways and Means and Commerce of the House of
20 Representatives and the Committee on Finance of the
21 Senate.

1 **TITLE II—HEALTH WORKFORCE**
2 **PRIORITIES**

3 **SEC. 201. PLAN TO REDUCE RESIDENCY TRAINING POSI-**
4 **TIONS.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of the enactment of this Act, the Secretary of Health
7 and Human Services shall develop a plan to reduce, begin-
8 ning with the residency year that begins July 1, 2005,
9 the number of first year training positions in medical resi-
10 dency training programs in the United States to 110 per-
11 cent of the annual number of students graduating from
12 a medical school in the United States.

13 (b) MONITORING DISTRIBUTION.—In implementing
14 the plan under this section, the Secretary shall monitor
15 the distribution of resident specialties in order to assure
16 that there is an adequate proportion of primary care phy-
17 sicians to fulfill the country's needs and to ensure access
18 to health care for underserved populations.

19 (c) IMPLEMENTATION.—In implementing the plan
20 under this section, the Secretary shall take into consider-
21 ation the reduced revenues to affected hospitals and shall
22 develop a formula to restore to such hospitals a portion
23 of the funds that would have been expended had the plan
24 under this section not been in effect.

1 (d) CONSULTATION.—The plan under this section
2 shall be developed in conjunction with the Institute of
3 Medicine, the Council on Graduate Medical Education, the
4 Association of American Medical Colleges, the American
5 Hospital Association, the American Medical Association,
6 the American Osteopathic Association, and other organi-
7 zations deemed appropriate by the Secretary.

8 (e) REPORT TO CONGRESS.—Not later than 1 year
9 after the date of the enactment of this Act, the Secretary
10 shall submit to the Committee on Ways and Means in the
11 House of Representatives, and to the Committee on Fi-
12 nance in the Senate, a report on the plan developed under
13 this section.

14 (f) ENFORCEMENT.—

15 (1) IN GENERAL.—Notwithstanding any other
16 provision of law, but subject to paragraph (2), for
17 purposes of computing the amount of payment to be
18 made under subsection (d)(5)(B) or (h) of section
19 1886 of the Social Security Act (42 U.S.C. 1395ww)
20 for any hospital that the Secretary determines has
21 a medical residency training program in which the
22 number of first year residents exceeds the maximum
23 number permitted for such program under the plan
24 implemented under subsection (a), the number of

1 residents counted shall be reduced by 5 multiplied by
 2 the number of such excess.

3 (2) EXCEPTION FOR HOSPITALS ELECTIVE AL-
 4 TERNATIVE TREATMENT.—Paragraph (1) does not
 5 apply to a hospital for which the election under sec-
 6 tion 1861(b)(7) of the Social Security Act was in ef-
 7 fect on July 1, 1998.

8 **TITLE III—MODIFICATION IN**
 9 **MEDICARE PAYMENT FOR**
 10 **IME AND DSH**

11 **SEC. 301. MODIFICATION REGARDING PAYMENTS FOR INDI-**
 12 **RECT COSTS OF GRADUATE MEDICAL EDU-**
 13 **CATION.**

14 (a) MODIFICATION FROM 5.5% TO 4.8%.—Section
 15 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C.
 16 1395ww(d)(5)(B)(ii)) is amended—

17 (1) by striking “and” at the end of subclause
 18 (IV),

19 (2) by amending subclause (V) to read as fol-
 20 lows:

21 “(V) during fiscal year 2001, ‘c’ is
 22 equal to 1.35; and”; and

23 (3) by adding at the end the following:

24 “(VI) on or after October 1, 2001, ‘c’
 25 is equal to 1.18.”.

1 (B) REPORTING OF IME PAYMENTS.—The Secretary
 2 of Health and Human Services, in collaboration with the
 3 Institute of Medicine, the Council on Graduate Medical
 4 Education, the Association of American Medical Colleges,
 5 the American Hospital Association, and other organiza-
 6 tions deemed appropriate by the Secretary, shall develop
 7 and implement a plan for hospitals that receive additional
 8 payments under section 1886(d)(5)(B) of the Social Secu-
 9 rity Act to report annually to the Secretary information
 10 on how such hospitals contributed to education, improve-
 11 ments in clinical services and research infrastructure, and
 12 community services operated by or in such hospitals. The
 13 first such report shall be submitted for cost reporting peri-
 14 ods beginning during fiscal year 2002.

15 **SEC. 302. MODIFICATION OF DSH.**

16 (a) COLLECTION OF CHARGE DATA.—Section
 17 1886(d)(5)(F) of the Social Security Act (42 U.S.C.
 18 1395ww(d)(5)(F)) is amended by adding at the end the
 19 following new clause:

20 “(x) The Secretary shall collect from all subsection
 21 (d) hospitals annual data on inpatient and outpatient
 22 charges, including all such charges—

23 “(I) for all patients;

24 “(II) for patients who are eligible for benefits
 25 (excluding any State supplementation) under the

1 supplemental security income program under title
2 XVI and entitled to benefits under part A;

3 “(III) for patients who are entitled to (or, if
4 they applied, would be eligible for) medical assist-
5 ance under title XIX;

6 “(IV) for patients who are beneficiaries of indi-
7 gent care programs sponsored by State or local gov-
8 ernments; and

9 “(V) to the extent that payment is not made
10 because of an inability of the patient to pay (or have
11 payment made on the patient’s behalf for) such
12 charges.”.

13 (b) REVISION OF FORMULA FOR DISPROPORTIONATE
14 PATIENT PERCENTAGE.—Clause (vi) of such section is
15 amended to read as follows:

16 “(vi) In this subparagraph, the term ‘dispropor-
17 tionate patient percentage’ means, with respect to a cost
18 reporting period of a hospital—

19 “(I) the charges described in subclauses (II)
20 through (V) of clause (x) for such period; divided by

21 (II) the charges described in clause (x)(I) for
22 such period.”.

23 (c) ESTABLISHING GENERAL QUALIFYING DIS-
24 PROPORTIONATE PATIENT PERCENTAGE THRESHOLD TO
25 COVER HALF OF PPS HOSPITALS.—Clause (v) of such

1 section is amended by striking “equals, or exceeds—” and
 2 all that follows and inserting “equals or exceeds a thresh-
 3 old percentage, which is established by the Secretary in
 4 a manner so that, if the amendments made by section 302
 5 of the All-Payer Graduate Medical Education Act had
 6 been in effect for cost reporting periods ending in fiscal
 7 year 2000, 50 percent of subsection (d) hospitals would
 8 have been eligible for an additional payment under this
 9 subparagraph for such periods. The Secretary shall estab-
 10 lish such threshold percentage based upon data collected
 11 by the Secretary under clause (x) for such cost reporting
 12 periods.”.

13 (d) ESTABLISHING UNIFORM GENERAL PAYMENT
 14 FORMULA.—Such section is further amended—

15 (1) in clause (iv), by striking “and that—” and
 16 all that follows and inserting “is equal to (P–
 17 T)(CF), where—

18 “(I) ‘P’ is the hospital’s disproportionate pa-
 19 tient percentage (as defined in clause (vi));

20 “(II) ‘T’ is equal to the threshold percentage
 21 established by the Secretary under clause (v); and

22 “(III) ‘CF’ is equal to such conversion factor as
 23 the Secretary may establish so that, applying such
 24 conversion factor as if the amendments made by sec-
 25 tion 302 of the All-Payer Graduate Medical Edu-

1 cation Act had been in effect for cost reporting peri-
 2 ods ending in fiscal year 2000, the total of the addi-
 3 tional payments that would have been made under
 4 this subparagraph is equal to the total of the pay-
 5 ments actually made under this subparagraph (not
 6 taking into account such amendments).

7 The Secretary shall establish the conversion factor under
 8 subclause (III) based upon data collected by the Secretary
 9 under clause (x) for cost reporting periods ending in fiscal
 10 year 2000.”; and

11 (2) by striking clauses (vii) and (viii).

12 (e) CARVING OUT DSH PAYMENTS FROM PAYMENTS
 13 TO MEDICARE+CHOICE ORGANIZATIONS AND PAYING
 14 THE AMOUNTS DIRECTLY TO DSH HOSPITALS TREATING
 15 MEDICARE+CHOICE ENROLLEES.—

16 (1) IN GENERAL.—Section 1853(c)(3) of the
 17 Social Security Act (42 U.S.C. 1395w–23(c)(3)) is
 18 amended—

19 (A) in subparagraph (A), by striking “sub-
 20 paragraph (B)” and inserting “subparagraphs
 21 (B) and (D)”;

22 (B) by redesignating subparagraph (D) as
 23 subparagraph (E); and

24 (C) by inserting after subparagraph (C)
 25 the following new subparagraph:

1 “(D) REMOVAL OF PAYMENTS ATTRIB-
2 UTABLE TO DISPROPORTIONATE SHARE PAY-
3 MENTS FROM CALCULATION OF ADJUSTED AV-
4 ERAGE PER CAPITA COST.—

5 “(i) IN GENERAL.—In determining
6 the area-specific Medicare+Choice capita-
7 tion rate under subparagraph (A) for a
8 year (beginning with 2002), the annual per
9 capita rate of payment for 1998 deter-
10 mined under section 1876(a)(1)(C) shall be
11 adjusted, subject to clause (ii) to exclude
12 from the rate the additional payments that
13 the Secretary estimates were payment dur-
14 ing 1997 for additional payments described
15 in section 1886(d)(5)(F).

16 “(ii) TREATMENT OF PAYMENTS COV-
17 ERED UNDER STATE HOSPITAL REIM-
18 BURSEMENT SYSTEM.—To the extent that
19 the Secretary estimates that an annual per
20 capita rate of payment for 1997 described
21 in clause (i) reflects payments to hospitals
22 reimbursed under section 1814(b)(3), the
23 Secretary shall estimate a payment adjust-
24 ment that is comparable to the payment
25 adjustment that would have been made

1 under clause (i) if the hospitals had not
2 been reimbursed under such section.”.

3 (2) ADDITIONAL PAYMENTS FOR MANAGED
4 CARE ENROLLEES.—Section 1886(d)(5)(F) of such
5 Act ((42 U.S.C. 1395ww(d)(5)(F)) is amended—

6 (A) in clause (ii), by striking “clause (ix)”
7 and inserting “clauses (ix) and (x)”, and

8 (B) by adding at the end the following:

9 “(ix)(I) For portions of cost reporting periods occur-
10 ring on or after January 1, 2002, the Secretary shall pro-
11 vide for an additional payment amount for each applicable
12 discharge of any subsection (d) hospital that is a dis-
13 proportionate share hospital (as described in clause (i)).

14 “(II) For purposes of this clause, the term ‘applicable
15 discharge’ means the discharge of any individual who is
16 enrolled under a risk-sharing contract with an eligible or-
17 ganization under section 1876 and who is entitled to bene-
18 fits under part A or any individual who is enrolled with
19 a Medicare+Choice organization under part C.

20 “(III) The amount of the payment under this clause
21 with respect to any applicable discharge shall be equal to
22 the estimated average per discharge amount that would
23 otherwise have been paid under this subparagraph if the
24 individuals had not been enrolled as described in subclause
25 (II).

1 “(IV) The Secretary shall establish rules for an addi-
 2 tional payment amount, for any hospital reimbursed under
 3 a reimbursement system authorized under section
 4 1814(b)(3) if such hospital would qualify as a dispropor-
 5 tionate share hospital under clause (i) were it not so reim-
 6 bursed. Such payment shall be determined in the same
 7 manner as the amount of payment is determined under
 8 this clause for disproportionate share hospitals.”.

9 (e) EFFECTIVE DATE.—The amendments made by
 10 subsections (a) through (d) of this section apply to pay-
 11 ments for discharges occurring on or after January 1,
 12 2002.

13 **TITLE IV—ADDITIONAL PAY-**
 14 **MENTS FOR GRADUATE EDU-**
 15 **CATION FOR NON-PHYSICIAN**
 16 **HEALTH PROFESSIONALS**

17 **SEC. 401. PAYMENTS FOR GRADUATE EDUCATION FOR**
 18 **NON-PHYSICIAN HEALTH PROFESSIONALS.**

19 (a) DEVELOPMENT OF PLAN.—

20 (1) IN GENERAL.—Not later than 3 years after
 21 the date of the enactment of this Act, the Secretary
 22 of Health and Human Services shall develop (and
 23 submit to Congress a report on) a plan to provide
 24 support to institutions that provide graduate health

1 care education for non-physician health profes-
2 sionals.

3 (2) CONSULTATION.—The Secretary shall de-
4 velop the plan in consultation with the Council on
5 Graduate Medical Education, the Institute of Medi-
6 cine, the American Hospital Association, the Asso-
7 ciation of American Medical Colleges, the American
8 Association of Colleges of Nursing, the American
9 Nurses Association, the American Physical Therapy
10 Association, the American Occupational Therapy As-
11 sociation, the American Speech-Language-Hearing
12 Association, and other organizations as deemed ap-
13 propriate by the Secretary.

14 (b) PAYMENTS.—For each fiscal year, beginning with
15 first fiscal year that begins after the report under sub-
16 section (a) has been submitted to Congress, the Secretary
17 of Health and Human Services shall provide from the
18 Health Care Workforce Trust Fund (established under
19 section 9511 of the Internal Revenue Code of 1986) for
20 support in the aggregate amount of \$300,000,000 for in-
21 stitutions providing graduate health care education for
22 non-physician health professionals. Such support shall be
23 provided under such terms and conditions as the Secretary

- 1 establishes in order to carry out the plan developed under
- 2 subsection (a).

○